

DEPARTMENT OF STATE REVENUE**LETTER OF FINDINGS NUMBER: 02-0112P****Use Tax****Calendar Years 1998, 1999, and 2000**

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ISSUE(S)**I. Tax Administration – Penalty**

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer produces and markets systems for the conversion and storage of electrical power, including industrial batteries and electronics. Taxpayer is organized into four operating divisions and has one business location in Indiana. Taxpayer failed to remit use tax on approximately forty-two percent (42%) of its taxable purchases during the audit period. A January 12, 1999 audit of taxpayer contained the same issues.

I. Tax Administration – Penalty**DISCUSSION**

Taxpayer protests the penalty assessed and states that the purchases subject to use tax represent .008% of the cost of sales which is a small percentage representing a minor oversight. Taxpayer further states it had made progress in identifying and remitting use tax and will continue to make changes to improve its procedures to avoid this oversight from occurring in the future.

Taxpayer had a prior audit that assessed tax for similar items. Taxpayer failed to self assess and remit use tax on more than forty percent of its taxable purchases and has not provided reasonable cause to allow the department to waive the penalty.

FINDING

Taxpayer's protest is denied.